

STAND. COM. REP. NO.

2341

Honolulu, Hawaii

FEB 17 2012

RE: S.B. No. 2498
S.D. 1

Honorable Shan S. Tsutsui
President of the Senate
Twenty-Sixth State Legislature
Regular Session of 2012
State of Hawaii

Sir:

Your Committee on Judiciary and Labor, to which was referred
S.B. No. 2498 entitled:

"A BILL FOR AN ACT RELATING TO CLAIMS AGAINST THE STATE,"

begs leave to report as follows:

The purpose and intent of this measure is to provide an
interest rate of up to ten percent on any unfunded settlement
claim against the State, its officers, or its employees.

Your Committee received testimony in support of this measure
from the Hawaii Association for Justice. The Department of the
Attorney General submitted comments.

Your Committee finds that settlement claims against the State
are normally funded by the Legislature on a timely basis.
However, there are occasionally some settlements that are not
timely funded because the appropriations bill for claims against
the State is not enacted in the same calendar year that the bill
was before the Legislature. As such, settlement payments are
delayed for an additional year until the next regular legislative
session. This measure fairly remedies this situation by allowing
an interest to be paid on the monies due on any settlement claims.
Thus, this measure holds the State accountable to satisfy
settlement payments and further encourages parties to settle with
the State rather than to engage in costly litigation.

Your Committee has amended this measure by:



- (1) Adopting the suggested language submitted by the Department of the Attorney General by:
 - (A) Deleting the amendments made to the legal rate computation section under the interest and usury laws; and
 - (B) Replacing it with language that amends the law relating to claims against the State to provide an interest rate of up to four percent on any unfunded settlement claim until the appropriations bill is enacted or the payment is made; and
- (2) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2498, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2498, S.D. 1, and be referred to the Committee on Ways and Means.

Respectfully submitted on
behalf of the members of the
Committee on Judiciary and
Labor,



CLAYTON HEE, Chair



The Senate
Twenty-Sixth Legislature
State of Hawai'i

Record of Votes
Committee on Judiciary and Labor
JDL

Bill / Resolution No.:* SB 2498	Committee Referral: JDL, WAM	Date: 2/3/12		
<input type="checkbox"/> The committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is: <div style="display: flex; justify-content: space-between; align-items: flex-start;"> <div style="text-align: center;"><input type="checkbox"/> Pass, unamended 2312</div> <div style="text-align: center;"><input checked="" type="checkbox"/> Pass, with amendments 2311</div> <div style="text-align: center;"><input type="checkbox"/> Hold 2310</div> <div style="text-align: center;"><input type="checkbox"/> Recommit 2313</div> </div>				
Members	Aye	Aye (WR)	Nay	Excused
HEE, Clayton (C)	✓			
SHIMABUKURO, Maile (VC)	✓			
GABBARD, Mike	✓			
IHARA, Jr., Les	✓			
SLOM, Sam	✓			
TOTAL	5			
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature:				
<div style="display: flex; justify-content: space-between; font-size: small;"> <div>Distribution:</div> <div>Original</div> <div>Yellow</div> <div>Pink</div> <div>Goldenrod</div> </div> <div style="display: flex; justify-content: space-between; font-size: x-small;"> <div>File with Committee Report</div> <div>Clerk's Office</div> <div>Drafting Agency</div> <div>Committee File Copy</div> </div>				

***Only one measure per Record of Votes**